01. Title of the thesis :

An analytical study of working of Life Insurance Corporation of India.

Since – 2001 to 2010

02. Introduction :

INSURANCE : Insurance is a complex mechanism and it is consequently difficult to define. However in simple terms, it has two fundamental characteristics i.e. transferring or shifting of risk from one individual to a group and sharing looses on some equitable basis, by all members of the group. From an individual point of view, Insurance is an economic device whereby the individual can, substitute a small relatively definite cost (the premium) for a large uncertain financial loss (the contingency insured against) that would have to be borne if insurance was not available. From the point of view of the society, it is a mechanism which relieves the individual citizens and the industry from the burden of carrying on themselves the various risks they are likely to face from day to day operations.

LIFE INSURANCE : Life Insurance is a contract between insured person and insurance company under which a sum of money is paid to him or his heirs, on happening of a certain event. Usually the contract provides for the payment of an amount on the date of maturity or at specified dates at periodic intervals or on unfortunate death, if it occurs earlier. The income of a family depends upon the karta. In case of death of the karta, the income of the family also ceases and under these circumstances the family is left in a difficult situation. Life is uncertain and this uncertainty is the risk due to which the necessity of some coverage against the financial loss arises. Insurance substitutes this uncertainty by certainty.

BENEFITS OF LIFE INSURANCE –

a. Financial security to the family can only be provided by life insurance.

b. This is better than ordinary saving schemes.

c. It gives security against creditors.

d. Income tax relief to assured.

e. Loan can be raised on the security of the policy.

LIFE INSURANCE CORPORATION OF INDIA –

LIC of India is a corporate autonomous body. It has been established by an act i.e. act 1956 with formation of LIC of India on 1st Sept. 1956. It can be said that utilization of people's money invested in life insurance for planned economic development of the country took roots. The insurance business was nationalized with an object to spread the message of insurance and channelizing of its fund for the benefit of the community at large. The Corporation has its Central Office at Mumbai with eight Zonal Offices and One Hundred eight Division Offices and more than Two Thousand branches spread all over the country.

With the globalization of industry and trade, Central Government has introduced several initiative covering industry fiscal management, trade policy and capital account in the year 2000 – 01. The insurance regulatory and development authority has been established and the insurance sector has been opened up for the corporate houses, financial institution, bank. Now LIC has to face competition with these companies. The main objective of LIC are as follows.

- Spread life insurance widely with a view reaching all insurable person in the country and provide them adequate financial cover against death at a reasonable cost.

- Maximize mobilization of peoples saving by making insurance – linked saving adequately attractive.

- Conduct business with utmost economy and with the full realization that the money belong to the policy holder.

- Act as trustees of the insured public in their individual and collective capacities.

- Meet the various life insurance needs of the community that would arise in the changing social and economic environment.

- Involve all people, working in the corporation to the best of the capabilities in furthering the interest of the insured public by providing efficient service with the courtesy.

03. A brief review of the work already done in the field :-

1. An analytical study of Life insurance business in Chhattisgarh.
   By Dr. S.S. Khanuja,
   Pt. Ravishankar Shukla University Raipur 1991.

2. Project report on LIC of India, By Prof B.V. Ramana, Sarthak Mohanty faculty, Project trainee, IBS Hyderabad 2007.

3. Competition in Life insurance sector of India.
   By Shilpa Thakur, Amity Law College Noida August 2010.

4. Growth of LIC of India during post privatization Period.
   By Shahid Hussain
   Research Scholar, Banaras Hindu University, Varanasi December 2010.

04. OBJECTIVE OF THE STUDY –

a. To evaluate the role of Life insurance corporation of India in providing insurance cover and financial security to every insurable segments including the socially and economically weaker sections of the society.

b. To critically appraise whether LIC of India conducts all aspects of its business keeping in view the interest of the communities and the national priorities.

c. To consider the services, provided by LIC of India are prompt, efficient and courteous to their customer.

d. To analyse and evaluate the fact that LIC of India strives to deal with the people / customer in an open and transparent manner.

e. To factfully analyse the role of LIC in insuring and enhancing the quality of the life of the people through financial security.

f. To critically appraise the organization and its organizational status.

05. Noteworthy contribution in the field of proposed work :

1. The study will reveal the performance of LIC of India during post privatization period.

2. A comparative study of performance of LIC of India and various Life insurance companies may help increase the business.

3. How to help the public in general to invest their saving in form of insurance particularly in LIC of India.

4. The study may help LIC of India to broaden its distribution channels and reduce procurement cost.

5. The study will depict the reason behind the dominancy of LIC of India even in competitive environment.

6. A prelude to various social security schemes of LIC and its impact on poor sections of Society.

7. Bird's eye view of the investment pattern of LIC of India.

06. PROPOSED RESEARCH METHODOLOGY :

Research in common parlance refers to a search for knowledge. It is simply an endeavour to discover answer to problem through the application of scientific method to the knowable universe. The main aim of research is to find out the truth which is hidden and which has not been discovered as yet. In short, the search for knowledge through objective and systematic method of finding solution to a problem is research. The systematic approach concerning generalization and the formulation of theory is also research.

This includes the assumptions and values that serves as a rationale for research and the criteria use for interpreting data and reaching conclusions. It determines such factors as how he / she writes hypothesis and what level of evidence is necessary to make the decision whether or not to reject hypothesis.

In this proposed topic "Exploratory method" is used. The main purpose of using this method is to gain familiarity with a phenomenon and to achieve new insights into it. It is used principally to give a deeper understanding of something. The objective of the exploratory research is to gather preliminary information that will help in defining a problem and suggesting hypothesis.

The proposed work will mainly based on secondary data.

07. HYPOTHESIS [Expected outcome of the work]

Hypothesis states what we are looking for and it is a preposition which can be put to a test to determine its validity. The role of hypothesis is to guide the researcher by delimiting the area of research and to keep him on right track. It sharpens his thinking and focuses attention on the more important facets of the problem. The expected outcome of the study is :

- LIC has got success in building and maintaining enduring relationship with their customers.
- The fast growing insurance business has made LIC one of the largest insurer institution.
- LIC has been promoting social welfare through socially oriented investment.
- It has encouraged the individual participation by promoting a sense of security and certainty.

08. LIMITATION OF THE STUDY :

The proposed study is to be conducted for the period starting from April 2001 to March 2010.

09. BIBLIOGRAPHY

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CHAPTERISATION

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Bibliography

Signature of Supervisor **Signature of Candidate**

Forwarded

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